

CONNECTICUT STATEWIDE VIDEO ADVISORY COUNCIL

Adopted by Public Act 07-253, codified by CGS Chapter 289 Section 16-331 (i)

www.CTSVAC.org

14 December 2018

The Honorable Ajit V. Pai, Chairman
Federal Communications Commission
455 12th Street, Southwest, Washington, DC, 20544

Re: Second Further Notice of Proposed Rulemaking, MB Docket No. 05-311MB on Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as Amended by the Cable Television Consumer Protection and Competition Act of 1992

Chairman Pai:

By unanimous decision, the Connecticut Statewide Video Advisory Council objects to authorizing Multiple Video Program Distributor License holders to self calculate the "IN-KIND" - ie.. cash and non cash costs under their license to apply against the statutory gross receipts tax paid to the treasury of the State of Connecticut.

Clearly, authorizing the fox to guard the hen house is not in the best interest of public interest, necessity, or convenience. Our statewide institution of Public-Educational-Governmental Access Programming will be a certain victim if the "IN-KIND" regulatory ruling is adopted.

The "IN-KIND" tax discount implies a method to eliminate "wasteful" regulation for the MVPD license holders and increase profit incentives for 5G technology investment. We understand the financial scope & size of the community access community is so small that it is easy to overlook in the big economics picture of telecommunications. The result of "IN-KIND" tax discounting will be the financial collapse of the community access television institution; - An unfortunate "unintended consequence", or even a more callous calculation by corporations mining profits under their monopolistic MVPD license. This action is totally contrary to the 1st Amendment of the US Constitution, and the FCC regulatory mandate to support the Public Interest.

A short explanation of the mechanism of community access destruction by the MVPD license holders if allowed to self calculate the "IN-KIND" values of License compliance; They will withhold the "IN-KIND" valuation as a discount against the gross receipts tax owed to the state treasury. WHAT WILL THE STATE TREASURY BE FORCED TO DO? Obvious...REFUSE TO LOWER THE TAX BILL BY EVEN 1 CENT.. The MVPD License holders will then say.... No Problem... We will simply cease to pay the self calculated IN-KIND costs while we pay the "non-discounted" gross receipts tax. Such a clever, even insidious way to cancel community access and public interest institutional costs built into federally required, state issued MVPD licenses. Just make the state treasury be the bad guy!

Total 2017 CT Treasury receipts from ALL CT MVPD license holders was less than \$140 million. The compensation to the executives of the CT MVPD license holders in exceeded what was paid in taxes the State of Connecticut. Do you smell a rat?

Sincerely
Merja Lehtinen, Chairperson
Statewide Video Advisory Council
cc: CT Governor Dannel Malloy
Scott Muska, CT Public Utility Regulatory Authority